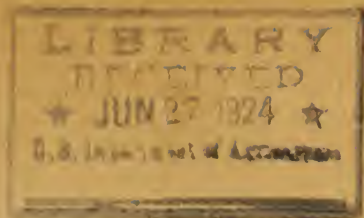


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United States Department of Agriculture  
SERVICE AND REGULATORY ANNOUNCEMENTS No. 83  
(BUREAU OF AGRICULTURAL ECONOMICS)

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REGULATIONS  
OF THE SECRETARY OF AGRICULTURE  
UNDER THE  
UNITED STATES WAREHOUSE ACT OF  
AUGUST 11, 1916  
AS AMENDED

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REGULATIONS FOR POTATO WAREHOUSES

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APPROVED MAY 10, 1924

ISSUED JUNE, 1924



UNITED STATES DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the United States warehouse act, approved August 11, 1916 (39 U. S. Stat. L., p. 486), as amended, I, Henry C. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following rules and regulations, to be known as the Regulations for Potato Warehouses, and to be in force and effect until amended or superseded by rules and regulations which may hereafter be made by the Secretary of Agriculture under the said act.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington on this 10th day of May, 1924.



*Henry C. Wallace*

Secretary of Agriculture.



# REGULATIONS FOR WAREHOUSES STORING POTATOES UNDER THE UNITED STATES WAREHOUSE ACT

## Regulation 1. Definitions

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand. Words import singular or plural.

SEC. 2. For the purpose of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean— Terms defined.

*Paragraph 1. Potatoes.*—Only the main or late crop of Irish potatoes or those potatoes which are generally recognized as storable for commercial purposes. Potatoes.

*Paragraph 2. The act.*—The United States warehouse act, approved August 11, 1916 (39 U. S. Stat. at L., pp. 446, 486), as amended. The act.

*Paragraph 3. Person.*—An individual, corporation, partnership, or two or more persons having a joint or common interest. Person.

*Paragraph 4. Secretary.*—The Secretary of Agriculture of the United States. Secretary.

*Paragraph 5. Chief of the Bureau.*—The Chief of the Bureau of Agricultural Economics. Chief of the bureau.

*Paragraph 6. Regulations.*—Rules and regulations made under the act by the Secretary. Regulations.

*Paragraph 7. Bureau.*—The Bureau of Agricultural Economics of the United States Department of Agriculture. Bureau.

*Paragraph 8. Warehouse.*—Any suitable building, structure, or other protected inclosure in which late or main crop potatoes are or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which potatoes are or may be stored. Warehouse.

*Paragraph 9. License.*—A license issued under the act by the Secretary. License.

*Paragraph 10. Licensed warehouseman.*—A warehouseman licensed as such under the act. Licensed warehouseman.

*Paragraph 11. Licensed warehouse.*—A warehouse for the conduct of which a license has been issued. Licensed warehouse

*Paragraph 12. Licensed warehouseman's bond.*—A bond required to be given under the act by a licensed warehouseman. Licensed warehouseman's bond

*Paragraph 13. Licensed weigher.*—A person licensed under the act by the Secretary to weigh and certificate the weight of potatoes stored or to be stored in a licensed warehouse. Licensed weigher.



Licensed in-  
spectors.

*Paragraph 14. Licensed inspector.*—A person licensed under the act by the Secretary to inspect, to grade, and to certificate the grade and condition for storage of potatoes.

Receipt.

*Paragraph 15. Receipt.*—A warehouse receipt.

## Regulation 2. Warehouse Licenses

Application  
form.

SECTION 1. Applications for licenses under sections 4 and 9 of the act and for modifications or extensions of licenses under section 5 of the act shall be made to the Secretary upon forms prescribed for the purpose and furnished by the bureau, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application by the Secretary.

Grounds for  
not issuing  
license.

SEC. 2. A license for the conduct of a warehouse shall not be issued if it be found by the Secretary that the warehouse is not suitable for the proper storage of potatoes, that the warehouseman is incompetent to conduct such warehouse in accordance with the act and these regulations, or that there is any other sufficient reason within the purposes of the act for not issuing such license.

Net assets re-  
quired.

SEC. 3. The warehouseman conducting a warehouse licensed or for which application for license has been made under the act, shall have and maintain above all exemptions and liabilities, net assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent of at least 10 cents per hundredweight of the maximum number of hundredweight that the warehouse will accommodate when stored in the manner customary to the warehouse as determined by the chief of the bureau, except that the amount of such assets shall not be less than \$5,000 and need not be more than \$100,000. In case such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, paid-in capital stock, as such, shall not be considered a liability. Any deficiency in the required net assets may be supplied by an increase in the amount of the warehouseman's bond in accordance with paragraph 2 of section 2 of regulation 3.

Application for  
modification or  
extension.

SEC. 4. Each application for a modification or extension of a license under section 5 of the act shall be made to the Secretary, upon a form prescribed for the purpose and furnished by the bureau, shall be in English, shall be signed by the applicant, and shall be filed with the Secretary not less than 30 days before the date of the termination of the license then in effect.

Time of filing.



SEC. 5. Immediately upon receipt of his license or of any modification or extension thereof under the act, the warehouseman shall post the same, and thereafter, except as otherwise provided in these regulations, keep it posted until suspended or terminated, in a conspicuous place in the principal office where receipts issued by such warehouseman are delivered to depositors.

SEC. 6. Pending investigation, the Secretary, whenever he deems necessary, may suspend a warehouseman's license temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor, submitted by a warehouseman, the Secretary may, without hearing, suspend or cancel the license issued to such warehouseman. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, cancel a license issued to a warehouseman when such warehouseman (a) is bankrupt or insolvent, (b) has parted, in whole or in part, with his control over the licensed warehouse, (c) is in process of dissolution or has been dissolved, (d) has ceased to conduct such licensed warehouse, or (e) has in any other manner become nonexistent or incompetent or incapacitated to conduct the business of the warehouse. Whenever any of the conditions mentioned in subdivisions (a) to (e) of this section shall come into existence it shall be the duty of the warehouseman to notify immediately the chief of the bureau of the existing condition. Before a license is revoked or canceled for any violation of, or failure to comply with, any provision of the act or of these regulations or upon the ground that unreasonable or exorbitant charges have been made for services rendered, the warehouseman involved shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

SEC. 7. If a license issued to a warehouseman terminates or is suspended, revoked, or canceled by the Secretary, it shall be returned to the Secretary when requested. At the expiration of any period of suspension of such license, unless it be in the meantime revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, it shall be returned to the licensed warehouseman to whom it was originally issued, and it shall be posted as prescribed in section 5 of this regulation.

SEC. 8. Upon satisfactory proof of the loss or destruction of a license issued to a warehouseman, a duplicate thereof may be issued under the same or a new number, at the discretion of the Secretary.

License or extension shall be posted.

Suspension, cancellation, or revocation of warehouse licenses.

Return of terminated, suspended, revoked, or canceled warehouse license.

Lost or destroyed warehouse license.

Unlicensed warehousemen must not represent themselves as licensed.

SEC. 9. No warehouse or its warehouseman shall be designated as licensed under the act and no name or description conveying the impression that it or he is so licensed shall be used, either in a receipt or otherwise, unless such warehouseman holds an unsuspended, unrevoked, and unanceled license for the conduct of such warehouse.

### Regulation 3. Warehouse Bonds.

Time of filing.

SECTION 1. Unless the warehouseman has previously filed with the Secretary the necessary bond required by section 2 of this regulation, he shall file such bond within a time, if any specified by the Secretary, said bond to cover all obligations arising thereunder during the period of the license.

Amount based on storage capacity.

SEC. 2. *Paragraph 1.* Exclusive of any amount which may be added in accordance with paragraphs 2 and 3 of this section, the amount of such bond shall be at the rate of 10 cents per hundredweight or fractional part thereof, of the maximum number of hundredweight that the warehouse will accommodate when stored in the manner customary to the warehouse for which such bond is required, as determined by the chief of the bureau, but not less than \$5,000 nor more than \$50,000. If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, and shall desire to give a single bond meeting the requirements of the act and these regulations for said warehouses, such warehouses shall be deemed to be one warehouse for the purposes of the bond required under this regulation.

Additional amount for deficiency in net assets.

*Paragraph 2.* In case of a deficiency in net assets under regulation 2, section 3, there shall be added to the amount of the bond, fixed in accordance with paragraph 1 of this section, an amount equal to such deficiency.

Additional amount for special conditions.

*Paragraph 3.* If the Secretary finds the existence of conditions warranting such action, there shall be added to the amount fixed in accordance with paragraphs 1 and 2 of this section a further amount, fixed by him, to meet such conditions.

Extension modification license and additional bond.

SEC. 3. If an application is made under regulation 2, sections 1 and 4, for a modification or an extension of a license and no bond previously filed by the warehouseman under this regulation covers obligations arising during the period of such modification or extension, the warehouseman shall, when notice has been given by the Secretary that his application for such modification or extension will be granted upon compliance by such warehouseman with the act, file with the Secretary, within a time, if any, fixed in such notice, a bond complying with the act. In the discretion of the Secretary, a properly executed instrument in form approved by him,



amending, extending, or continuing in force and effect the obligations of a valid bond previously filed by the warehouseman and otherwise complying with the act and these regulations, may be filed in lieu of a new bond.

SEC. 4. Whenever a license has been issued for a period longer than one year, such license shall not be effective beyond one year from its effective date unless the warehouseman shall have filed a new bond in the required amount with, and such bond shall have been approved by, the Secretary prior to the date on which that license would have expired had it been issued for but one year, subject to the provisions of section 3 of this regulation.

New bond required to continue license beyond one year.

SEC. 5. No bond, amendment, or continuation thereof shall be deemed accepted for the purposes of the act and these regulations until it has been approved by the Secretary.

Approval of bond.

#### Regulation 4. Warehouse Receipts

SECTION 1. *Paragraph 1.* Every receipt, whether negotiable or nonnegotiable, issued for potatoes stored in a licensed warehouse shall, in addition to complying with the requirements of section 18 of the act, embody within its written or printed terms the following: (a) The name of the licensed warehouseman and the designation, if any, of the warehouse; (b) the license number of the warehouse; (c) a statement whether the warehouseman is incorporated or unincorporated, and if incorporated, under what laws; (d) the tag number given to each lot of potatoes in accordance with regulation 5, section 11; (e) a statement, conspicuously placed, whether or not the potatoes are insured, and, if insured, to what extent, by the warehouseman against loss by fire, lightning, or tornado; (f) a blank space designated for the purpose in which the condition of the potatoes shall be stated; (g) a blank space designated for the purpose in which the variety of the potatoes shall be stated; (h) the words "Not Negotiable," "Nonnegotiable," or "Negotiable," according to the nature of the receipt, clearly and conspicuously printed or stamped thereon; and (i) a statement indicating the amount of shrinkage agreed upon between the depositor and the warehouseman, when the identity of potatoes is not preserved.

Contents of negotiable and non-negotiable receipts.

*Paragraph 2.* Every receipt, whether negotiable or nonnegotiable, issued for potatoes stored in a licensed warehouse shall specify the period for which the potatoes are accepted for storage, but no receipt shall be issued for potatoes stored prior to September 15 of the year in which harvested, nor shall any receipt be issued for a period beyond three months from the issuance thereof. Upon demand and surrender of the old receipt by the lawful holder thereof at the expiration of the period specified, the warehouseman, upon such lawful terms and conditions as may be granted by him at such time to other depositors of potatoes in his warehouse, if he then con-

Storage period limited to three months.

tinues to act as a licensed warehouseman, shall issue a new receipt for a further specified period not extending beyond March 31 of the year following harvesting, provided, it is actually determined by the licensed inspector that there has been no deterioration in the quality of the potatoes, or if he then continues to act as a public warehouseman, but not as a licensed warehouseman, he shall issue a new nonlicensed receipt.

Grade or other class of potatoes.

*Paragraph 3.* Whenever the grade or other class of potatoes is stated in a receipt issued for potatoes stored in a licensed warehouse, such grade or other class shall be stated in the receipt in accordance with regulation 8.

Additional contents of negotiable receipts.

*Paragraph 4.* The grade stated in a receipt issued for potatoes the identity of which is not to be preserved, stored in a warehouse, shall be stated as determined by the licensed inspector who last inspected the potatoes before the issuance of such receipt, and such receipt shall embody within its written or printed terms the following: (a) A statement that the potatoes covered by the receipt were weighed by a licensed weigher and inspected by a licensed inspector, and (b) a form of indorsement which may be used by the depositor, or his authorized agent, for showing the ownership of, and liens, mortgages, or other encumbrances on, the potatoes covered by the receipt.

When grade is omitted receipt must be so marked.

*Paragraph 5.* If a warehouseman issues a receipt omitting the statement of grade on request of the depositor as permitted by section 18 of the act, such receipt shall have clearly and conspicuously stamped or written on the face thereof the words "Not graded on request of depositor." In no instance shall a receipt be issued until the potatoes have been inspected by a licensed inspector.

Blank spaces in receipt to be filled in.

*Paragraph 6.* If a warehouseman issues a receipt under the act omitting any information not required to be stated, for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made by the warehouseman.

Copies of receipts.

SEC. 2. Carbon copies of all receipts shall be made. All such copies, except those issued in lieu of the original in case of lost or destroyed receipts, shall, if there be no statute of the United States or law of a State providing otherwise, have clearly and conspicuously printed or stamped thereon the words "Copy not negotiable."

Lost or destroyed receipts.

SEC. 3. *Paragraph 1.* In the case of a lost or destroyed receipt, if there be no statute of the United States or law of a State applicable thereto, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate issued in lieu of a lost or destroyed receipt, may be issued upon compliance with the conditions set out in paragraph 2 of this section.



*Paragraph 2.* Before issuing such duplicate receipt the licensed warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (a) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and if lost, that diligent effort has been made to find the receipt without success, and (b) a bond in amount double the value, at the time the bond is given, of the potatoes represented by the lost or destroyed receipt. Such bond shall be in the form approved for the purpose by the Secretary, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as surety thereon (a) a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or (b) at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, to the extent of double the amount of the bond.

Affidavit of loss  
or destruction of  
receipts.

Bond.

SEC. 4. No receipt shall be issued under the act until its form has been approved by the chief of the bureau, who shall make such requirements with respect to it as he may deem necessary to insure compliance with the act and these regulations. For this purpose the warehouseman shall submit two final proof copies of the proposed form printed on paper identical to that on which the final receipts will be printed.

Approval of  
forms of receipts.

SEC. 5. If a warehouseman delivers a part only of a lot of potatoes for which he has issued a negotiable receipt under the act, he shall take up and cancel such receipt and issue a new receipt in accordance with these regulations for the undelivered portion of the potatoes.

Partial delivery  
of potatoes.

SEC. 6. Except as permitted by law or by these regulations, a warehouseman shall not deliver potatoes for which he has issued a negotiable receipt until the receipt has been returned to him and canceled, and shall not deliver potatoes for which he has issued a nonnegotiable receipt until such receipt has been returned to him or he has obtained from the person lawfully entitled to such delivery, or his authorized agent, a written acknowledgment thereof.

Return of re-  
ceipts before de-  
livery of potatoes.

SEC. 7. No licensed warehouseman shall, directly or indirectly by any means whatsoever, compel or attempt to compel the depositor of any potatoes stored in his licensed warehouse to request the issuance of a receipt omitting the statement of grade.

Warehouseman  
not to attempt to  
compel grade to  
be omitted.

## Regulation 5. Duties of Licensed Warehouseman

Potatoes must  
be inspected by  
licensed inspec-  
tor.

SECTION 1. No licensed warehouseman shall receive potatoes into his licensed warehouse for storage or any other purpose unless such potatoes have been inspected and approved at the time such potatoes are offered for entry and storage in such warehouse by an inspector licensed under the act and these regulations, and no licensed warehouseman shall store potatoes the identity of which is not to be preserved until the grade of such potatoes has been determined by a licensed inspector.

Insurance  
against fire,  
lightning, or tor-  
nado.

SEC. 2. *Paragraph 1.* Each licensed warehouseman, when so requested in writing as to any potatoes by the depositor thereof or lawful holder of the receipt covering such potatoes, shall, to the extent to which in the exercise of due diligence he is able to procure such insurance, keep such potatoes while in his custody as a licensed warehouseman insured in his own name, or arrange for their insurance otherwise, to the extent so requested, against loss or damage by fire, lightning, or tornado. When insurance is not carried in the warehouseman's name, the receipts shall show that the potatoes are not insured by the warehouseman. Such insurance shall be covered by lawful policies issued by one or more insurance companies authorized to do such business, and subject to service of process in suits brought, in the State where the warehouse is located. If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally or by telegraph or by telephone and at his own expense, immediately notify the person making the request of the fact. Nothing in this section shall be construed to prevent a warehouseman from adopting a rule that he will insure all potatoes stored in his warehouse.

Notice regard-  
ing insurance to  
be posted.

*Paragraph 2.* Each warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other place as the chief of the bureau or his representative may from time to time designate, a notice stating briefly the conditions under which the potatoes will be insured against loss or damage by fire, lightning, or tornado.

Premiums, in-  
spection, and re-  
ports.

SEC. 3. Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for the purpose of meeting the insurance and bonding requirements of these regulations, pay such premiums, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

Warehouseman  
to collect and pay  
insurance.

SEC. 4. Each warehouseman shall promptly take such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of these regulations, and shall, as soon as collected, promptly pay over to the persons concerned



any portion of such moneys which they may be entitled to receive from him.

SEC. 5. At the time potatoes, the identity of which is not to be preserved, are received for storage, the warehouseman and the depositor shall agree upon the maximum amount of loss to be allowed for shrinkage and loss caused by rodents while the potatoes are in storage, and the amount so agreed upon shall be stated in the receipt when issued, which amount shall in no event exceed 5 per cent. Agreement as to shrinkage.

SEC. 6. Each warehouseman shall at all times exercise such care in regard to potatoes in his custody as a reasonably careful owner would exercise under the same circumstances and conditions. Care of potatoes in licensed warehouse.

SEC. 7. If at any time a warehouseman shall handle potatoes other than for storage or shall handle or store any other commodity, he shall so protect the same, and otherwise exercise such care with respect to them, as not to endanger the potatoes in his custody as a licensed warehouseman or impair his ability to meet his obligations and perform his duties under the act and these regulations. If the licensed warehouseman shall store commodities other than those for which he is licensed, a nonlicensed receipt shall be issued, which shall contain in its terms a provision that said commodities are accepted for storage only until such time as the space which they may occupy may be needed for products for the storage of which the warehouseman is licensed. Under no circumstances shall any commodities for the storage of which the warehouseman is not licensed be stored if the storage of such commodities might adversely affect the commercial value or the insurance on potatoes covered by licensed receipts. Care of non-licensed potatoes or other commodities.

SEC. 8. Each warehouseman shall provide a metal fireproof safe, a fireproof vault, or a fireproof compartment in which he shall keep, when not in actual use, all records, books, and papers pertaining to the licensed warehouse, including his current receipt book, copies of receipts issued, and canceled receipts, except that with the written consent of the chief of the bureau, or his representative, upon a showing by such warehouseman that it is not practicable to provide such fireproof safe, vault, or compartment, he may keep such records, books, and papers in some other place of safety, approved by the chief of the bureau or his representative. All canceled receipts shall be arranged by the warehouseman in numerical order as soon as possible after their cancellation and shall be preserved in numerical order thereafter. Records to be kept in safe place.

SEC. 9. A warehouseman shall not make any unreasonable or exorbitant charge for services rendered. Before a license to conduct a warehouse is granted under the act the warehouseman shall file with the bureau a copy of his rules and a schedule of charges to be made by him if licensed. Before making any change in such rules or Warehouse charges.

schedule of charges he shall file with the bureau a statement in writing showing the proposed change and the reasons therefor. Each licensed warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 5, and at such other place, accessible to the public, as the chief of the bureau or his representative may from time to time designate, a copy of his current rules and schedule of charges.

Business hours.

SEC. 10. *Paragraph 1.* Each licensed warehouse shall be kept open for the purpose of receiving potatoes for storage and delivering potatoes out of storage every business day for a period of not less than six hours between the hours of 8 a. m. and 6 p. m., except as provided in paragraph 2 of this section. The warehouseman shall keep conspicuously posted on the door of the public entrance to his office and to his warehouse a notice showing the hours during which the warehouse will be kept open, except when such warehouse is kept open continuously from 8 a. m. to 6 p. m.

Closing of warehouse.

*Paragraph 2.* If the warehouse is not to be kept open as required by paragraph 1 of this section, the notice posted as prescribed in that paragraph shall state the period during which the warehouse is to be closed and the name of an accessible person, with the address where he is to be found, who shall be authorized to deliver potatoes stored in such warehouse, upon lawful demand and surrender of the receipt.

Each lot of potatoes to be tagged.

SEC. 11. Each warehouseman shall, upon acceptance for storage of any lot of sacked potatoes or of bulk potatoes to be specially binned, attach to such lot or bin a tag of good quality, which shall identify the lot. Such tag shall show the lot number, the number of the receipt issued to cover such potatoes, the number of sacks in the lot, the variety or type of potatoes, the grade if determined, the gross weight of the potatoes at the time they entered storage, and the date they entered storage.

Arrangement and tagging of stored potatoes.

SEC. 12. Each warehouseman shall so store each lot of potatoes for which a receipt under the act has been issued that the tag thereon, required by section 11 of this regulation, is visible and readily accessible, and shall arrange all sacks in his licensed warehouse so as to permit making a determination of the number of sacks in storage at any time.

Grades and weights according to which bulk potatoes shall be accepted and delivered.

SEC. 13. Each licensed warehouseman shall accept all potatoes for storage and shall deliver out of storage all potatoes, other than specially binned potatoes or sacked potatoes, in accordance with the grade of such potatoes as determined by a person duly licensed to inspect potatoes and to certificate the grade thereof, and in accordance with the weight of such potatoes as determined by a person duly licensed to weigh such potatoes and to certificate the weight thereof, under the act and these regulations, and in accordance with the agreement regarding shrinkage as shown by the terms of the receipt.



SEC. 14. Except as may be provided by law or these regulations, each licensed warehouseman, (a) upon proper presentation of a receipt for any bulk potatoes, other than bulk potatoes specially binned, and upon payment or tender of all advances and legal charges, shall deliver to the person lawfully entitled to the receipt potatoes of the grade and quantity therein specified after making due allowance for such shrinkage as the receipt stipulates, and (b) upon proper presentation of a receipt for any potatoes the identity of which was to have been preserved during the storage period, and upon payment or tender of all advances and legal charges, shall deliver to the person lawfully entitled thereto the identical potatoes stored in his licensed warehouse.

Delivery of potatoes.

SEC. 15. Each licensed warehouseman shall use for his licensed warehouse a system of accounts, approved for the purpose by the chief of the bureau or his authorized representative, which shall show for each sack or lot of potatoes the name of the depositor, the weight of the potatoes, the number of sacks in each lot, the grade when grade is required to be, or is, ascertained, the location in the warehouse, the dates received for and delivered out of storage, the receipts issued and canceled, a separate record for each depositor, and such accounts shall include a detailed record of all moneys received and disbursed and of all effective insurance policies. In the case of potatoes the identity of which is to be preserved the tag number mentioned in section 11 of this regulation shall be shown.

System of accounts.

SEC. 16. Each licensed warehouseman shall, from time to time, when requested by the chief of the bureau, make reports, on forms prescribed and furnished for the purpose by the bureau, concerning the condition, contents, operation, and business of the warehouse.

Reports.

SEC. 17. Each warehouseman shall keep on file, as a part of the records of the warehouse, for such period as may be prescribed by the chief of the bureau, an exact copy of each report submitted by such warehouseman under this regulation.

Copies of reports to be kept.

SEC. 18. Each warehouseman, when requested by the bureau, shall forward his canceled receipts for auditing to Washington or to such field offices of the bureau as may be designated from time to time. For the purpose of this section, only such portion as the bureau may designate of each canceled receipt, numbered to correspond with the actual receipt number, need be submitted.

Canceled receipts to be forwarded to bureau for auditing.

SEC. 19. Each licensed warehouseman shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to enter and inspect or examine at any time any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts

Inspections and examinations of warehouses.

relating thereto, and the contents thereof, and such warehouseman shall furnish such officer or agent the assistance necessary to enable him to make any inspection or examination under this section.

Inspection of  
weighing appar-  
atus.

SEC. 20. The weighing apparatus used for ascertaining the weight stated in a receipt or certificate, issued for potatoes stored in a licensed warehouse, shall be subject to examination by any officer or agent of the Department of Agriculture employed for such purpose. If the bureau shall disapprove such weighing apparatus, it shall not thereafter, unless such disapproval be withdrawn, be used in ascertaining the weight of any potatoes for the purposes of the act and these regulations.

Warehouse to  
be kept clean.

SEC. 21. Each licensed warehouseman shall keep his warehouse clean and free from trash, rubbish, and scattered potatoes. He shall also exercise every precaution to keep his warehouse free of rats or other pests that might cause damage or injury to potatoes in storage.

Duty to furni-  
gate.

SEC. 22. When in the opinion of the chief of the bureau or his representative it may appear necessary, it shall be the duty of each licensed warehouseman to fumigate thoroughly his licensed warehouse with such chemicals as may be approved by the chief of the bureau for that purpose.

Storage of wet,  
dirty, or frosted  
potatoes prohib-  
ited.

SEC. 23. The warehouseman shall not under any circumstances accept for storage in his licensed warehouse any potatoes that are wet, dirty, diseased, or that show any effects of frost or freezing injury, or that are otherwise of a condition rendering them unsuitable for storage.

Heating and  
ventilating.

SEC. 24. It shall be the duty of the licensed warehouseman to provide adequate equipment for the purpose of heating and ventilating his licensed warehouse when necessary, and he shall so construct the bins of his licensed warehouse that all potatoes stored therein will be afforded ample ventilation. The licensed warehouseman shall not overcrowd his licensed warehouse and shall keep all aisles and passageways open, and no obstructions shall be permitted therein which will prevent a constant and thorough circulation of air throughout and between the bins of potatoes.

Darkening  
warehouse neces-  
sary.

SEC. 25. It shall be the duty of each licensed warehouseman to keep his licensed warehouse as dark as is necessary to preserve the commercial value of the potatoes.

Potatoes to be  
so stored as not to  
damage.

SEC. 26. A warehouseman shall so handle and so store potatoes as not to injure or damage them in any manner.

Warehouseman  
shall give notice  
of potatoes out  
of condition.

SEC. 27. *Paragraph 1.* If the licensed warehouseman, with the approval of the licensed inspector, shall determine that any potatoes are deteriorating and that such deterioration can not be stopped, the licensed warehouseman shall give immediate notice of the fact in accordance with paragraphs 2 and 3 of this section.



*Paragraph 2.* Such notice shall state (a) the warehouse in which the potatoes are stored; (b) the quantity, kind, and grade of the potatoes at the time the notice is given; (c) the actual condition of the potatoes as nearly as can be ascertained, and the reason, if known, for such condition; (d) the outstanding receipts covering the potatoes out of condition, giving the number and date of each such receipt and the quantity, the kind, and grade of the potatoes as stated in each such receipt; and (e) that such potatoes will be delivered upon the return and cancellation of the receipts therefor.

*Paragraph 3.* A copy of such notice shall be delivered in person or shall be sent by mail (a) to the persons holding the receipts, if known to the licensed warehouseman; (b) to the person who originally deposited the potatoes; (c) to any other persons known by the licensed warehouseman to be interested in the potatoes, and (d) to the chief of the bureau. If the holders of the receipts and the owners of the potatoes are known to the licensed warehouseman and can not, in the regular course of the mails, be reached within 12 hours, the licensed warehouseman shall, whether or not requested so to do, also immediately notify such persons by telegraph or telephone at their expense. Public notice shall also be given by posting a copy of such notice at the place where the warehouseman is required to post his license.

*Paragraph 4.* Any person interested in any potatoes or the receipt covering such potatoes stored in a licensed warehouse may, in writing, notify the licensed warehouseman of the fact of his interest, and such licensed warehouseman shall keep a record of that fact. If such person request in writing that he be notified regarding the condition of any such potatoes and agree to pay the cost of any telegraph or telephone toll charge, such licensed warehouseman shall notify such person in accordance with such request.

*Paragraph 5.* If the potatoes, advertised in accordance with the requirements of section 28 of this regulation, have not been removed from storage by the owner thereof within seven days from the date of notice of their being out of condition, the licensed warehouseman in whose licensed warehouse such potatoes are stored may sell the same at public auction at the expense and for the account of the owner.

*Paragraph 6.* Nothing contained in this section shall be construed as relieving the licensed warehouseman from properly caring for any potatoes after notification of their condition in accordance with this section.

SEC. 28. If at any time a warehouseman shall be offered for storage in his licensed warehouse potatoes in excess of the licensed capacity as shown on his license, he shall not accept such potatoes until he has first secured authority through an amended license, and after such authority has been granted the warehouseman shall

Contents of  
notice.

Persons to  
whom notice  
shall be sent.

Notice to be  
posted.

Record of per-  
sons interested in  
receipt of pota-  
toes.

Potatoes may  
be sold at public  
auction after  
notice.

Warehouseman  
not relieved from  
properly caring  
for potatoes at all  
times.

Excess storage.

continue to so arrange the potatoes as not to obstruct free access thereto and the proper use of sprinkler or other fire-protection equipment provided for such warehouse.

Removal of potatoes from storage.

SEC. 29. Except as may be permitted by law or these regulations, a licensed warehouseman shall not remove any potatoe for storage from the licensed warehouse or the part thereof designated in the receipt, unless such receipt is first surrendered and canceled. Under no circumstances, unless it becomes absolutely necessary to protect the interests of holders of receipts, shall potatoes be removed from the licensed warehouse before the surrender of receipts, and immediately upon any such removal the warehouseman shall notify the chief of the bureau of such removal and the necessity therefor.

Warehouseman must comply with State law and his contracts.

SEC. 30. Each warehouseman shall faithfully perform his obligations as a warehouseman under the laws of the State in which he is conducting his warehouse and such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of potatoes in such warehouse.

Fire loss to be reported by telegram.

SEC. 31. If at any time a fire shall occur at or within any licensed warehouse, it shall be the duty of the warehouseman to report immediately by telegram to the chief of the bureau the occurrence of such fire and the extent of damage.

Copies of inspection or weight certificate to be filed with warehouseman.

SEC. 32. When an inspection or weight certificate is issued by a licensed inspector or weigher, a copy of such certificate shall be filed with the warehouseman in whose warehouse the potatoes covered by such certificate are stored, and such certificate shall become a part of the records of the licensed warehouseman.

#### Regulation 6. Fees

Warehouse license fees

li- SECTION 1. There shall be charged, assessed, and collected a fee of \$2 for each warehouseman's license.

Warehouse inspection fees.

in- SEC. 2. There shall be charged, assessed, and collected for each original examination or inspection of a warehouse under the act, when such examination or inspection is made upon application of a warehouseman, a fee at the rate of \$1 for each 1,000 hundredweight of the storage capacity, or fraction thereof, determined in accordance with paragraph 1 of section 2 of regulation 3, but in no case less than \$5 nor more than \$50, and, for each reexamination or reinspection applied for by such warehouseman, a fee, based on the extent of the reexamination or reinspection, proportioned to, but not greater than, that prescribed for the original examination or inspection.

Advance deposit.

de- SEC. 3. Before any warehouseman's license, modification, or extension thereof is granted, or an original examination or inspection, or reexamination or reinspection, applied for by a warehouseman, is made, pursuant to these regulations, the warehouseman shall deposit with the bureau the amount of the fee prescribed therefor. Such



deposit shall be made in the form of a check, certified if required by the bureau, or post office or express money order, payable to the order of "Disbursing Clerk, U. S. Department of Agriculture."

SEC. 4. The disbursing clerk of the United States Department of Agriculture shall hold in his custody each advance deposit made under this regulation until the fee, if any, is assessed and he is furnished by the bureau with a statement showing the amount thereof and against whom assessed. Any part of such advance deposit which is not required for the payment of any fee assessed shall be returned to the party depositing the same.

#### Regulation 7. Licensed Inspectors and Weighers

SECTION 1. *Paragraph 1.* Application for licenses to inspect or to weigh potatoes under the act shall be made to the chief of the bureau on forms furnished for the purpose by him.

Licensed  
spectors  
weighers. in-  
and

*Paragraph 2.* Each such application shall be in English, shall be signed by the applicant, shall be verified by him under oath or affirmation administered by a duly authorized officer, and shall contain or be accompanied by (a) satisfactory evidence that he has passed his twenty-first birthday; (b) the name and location of a warehouse or warehouses licensed, or for which application for license has been made, under the act, in which potatoes sought to be inspected, and weighed, under such license are or may be stored; (c) a statement from the warehouseman conducting such warehouse showing whether the applicant is competent and is acceptable to such warehouseman for the purpose; (d) satisfactory evidence that he has had at least one year's experience in the kind of service for which a license is sought or the equivalent of such experience, and that he is competent to perform such services, except in the case of applicants for weighers' licenses, when one month's experience will be sufficient; (e) a statement by the applicant that he agrees to comply with and abide by the terms of the act and these regulations so far as the same may relate to him; and (f) such other information as the chief of the bureau may deem necessary: *Provided*, That when an application for a license to inspect potatoes is filed by a person who does not intend to inspect potatoes for any particular licensed warehouseman but who does intend to inspect potatoes stored or to be stored in a licensed warehouse and to issue inspection certificates therefor, as provided for by the act and these regulations, independent of the warehouse receipts issued to cover such potatoes, it shall not be necessary to furnish such statement as is required by subdivision (c) of this paragraph.

Application  
forms.

Contents.

*Paragraph 3.* The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application by the Secretary.

Applicant must  
furnish additional  
information if  
required.

Combined in-  
spector's and  
weigher's appli-  
cation.

*Paragraph 4.* A single application may be made by any person for a license to inspect and weigh upon complying with all the requirements of this section.

Examination.

SEC. 2. Each applicant for a license as an inspector or weigher and each licensed inspector or licensed weigher shall, whenever requested by an authorized agent of the Department of Agriculture designated by the chief of the bureau for the purpose, submit to an examination or test to show his ability properly to perform the duties for which he is applying for license or for which he has been licensed.

Posting of li-  
cense.

SEC. 3. Each licensed inspector shall keep his license conspicuously posted in the office where all or most of the grading is done, and each licensed weigher shall keep his license conspicuously posted in the warehouse office or in such place as may be designated for the purpose by the bureau.

Duties of in-  
spector and  
weigher.

SEC. 4. Each licensed inspector and each licensed weigher, when requested, shall, without discrimination, as soon as practicable, and upon reasonable terms, inspect or weigh and certificate the grade, condition, or weight for storage of potatoes stored or to be stored in a licensed warehouse for which he holds a license, if such potatoes be offered to him under such conditions as permit proper inspection and the determination of the condition, grade, or weight thereof, as the case may be. Each such licensee shall give preference to persons who request his services as such over persons who request his services in any other capacity. No inspection or weight certificate shall be issued under the act for potatoes not stored or not to be stored in a licensed warehouse.

Inspection cer-  
tificate.

SEC. 5. Each inspection certificate issued under the act by a licensed inspector shall be in a form approved for the purpose by the bureau, and shall embody within its written or printed terms (a) the caption "United States warehouse act, potato inspection certificate"; (b) whether it is an original, a duplicate, or other copy; (c) the name and location of the licensed warehouse in which the potatoes are or are to be stored; (d) the date of the certificate; (e) the location of the potatoes at the time of inspection; (f) the identification number or mark of each lot of potatoes, if in sacks, given in accordance with regulation 5, section 11; (g) the grade and condition of the potatoes for storage at the time of inspection; (h) a statement that the certificate is issued by a licensed inspector, under the United States warehouse act and regulations thereunder; (i) a blank space designated for the purpose in which may be stated any general remarks on the grade and condition of the potatoes; (j) the signature of such licensed inspector. In addition, the inspection certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.



SEC. 6. Each weight certificate issued under the act by a licensed weigher shall be in a form approved for the purpose by the bureau, and shall embody within its written or printed terms (a) the caption "United States warehouse act, potato weight certificate"; (b) whether it is an original, a duplicate, or other copy; (c) the name and location of the licensed warehouse in which the potatoes are or are to be stored; (d) the date of the certificate; (e) the location of the potatoes at the time of weighing; (f) the identification number or mark of each lot of potatoes; if in sacks, given in accordance with regulation 5, section 11; (g) the gross weight of the potatoes, (h) a statement that the certificate is issued by a licensed weigher, under the United States warehouse act and the regulations thereunder; and (i) the signature of such licensed weigher. In addition, the weight certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first secured.

Weight certificate.

SEC. 7. The condition, grade, and weight of any potatoes ascertained by a licensed inspector or a licensed weigher may be stated on a certificate meeting the combined requirements of sections 5 and 6 of this regulation, if the form of such certificate shall have been approved for the purpose by the chief of the bureau.

Combined inspection and weight certificate.

SEC. 8. Each licensed inspector and each licensed weigher shall keep for a period of one year in a place accessible to persons financially interested a copy of each certificate issued by him under these regulations and shall file a copy of each such certificate with the warehouse in which the potatoes covered by the certificate are stored.

Copies of certificates to be kept.

SEC. 9. Each licensed inspector and each licensed weigher shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to inspect or examine, at any time, his books, papers, records, and accounts relating to the performance of his duties under the act and these regulations, and shall, with the consent of the licensed warehouseman concerned, assist any such officer or agent in the inspection or examination of records mentioned in section 15 of regulation 5, as far as any such inspection or examination relates to the performance of the duties of such licensed inspector or licensed weigher under the act and these regulations.

Licensees to permit and assist in examinations.

SEC. 10. Each licensed inspector and each licensed weigher shall, from time to time, when requested by the chief of the bureau, make reports, on forms furnished for the purpose by the bureau, bearing upon his activities as such licensed inspector or licensed weigher.

Reports.

SEC. 11. Pending investigation the Secretary may, whenever he deems necessary, suspend the license of an inspector or weigher temporarily without hearing. Upon a written request and a satisfactory statement of reasons

Suspension, revocation, or cancellation of inspector's or weigher's licenses.

therefor, submitted by the inspector or weigher, the Secretary may, without hearing, suspend or cancel the license issued to such licensee. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, suspend or cancel a license issued to an inspector or weigher when such licensee (a) has ceased to perform services as such inspector or weigher, (b) has in any other manner become incompetent or incapacitated to perform the duties of such licensee. As soon as it shall come to the attention of a licensed warehouseman that either of the conditions mentioned under (a) and (b) exist, it shall be the duty of such warehouseman to notify in writing the chief of the bureau. Before the license of any inspector or weigher is suspended or revoked pursuant to section 12 of the act, such licensee shall be furnished by the Secretary, or by an official of the Department of Agriculture designated for the purpose, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

Return of suspended, revoked, or canceled inspector's or weigher's licenses.

SEC. 12. *Paragraph 1.* If a license issued to a licensed inspector or licensed weigher is suspended, revoked, or canceled by the Secretary, it shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless in the meantime it be revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the licensed inspector or licensed weigher to whom it was originally issued, and it shall be posted as prescribed in section 3 of this regulation.

License terminates with warehouse license.

*Paragraph 2.* Any license issued to an inspector or weigher shall automatically terminate as to any licensed warehouse whenever the license of such warehouse shall be revoked or canceled. Thereupon the license of such inspector or weigher shall be returned to the Secretary. If such license shall apply to other warehouses, the Secretary shall issue to him a new license, omitting the names of the warehouses covering which licenses have been so revoked or canceled. Such new licenses shall be posted as prescribed in section 3 of this regulation.

New licenses, when issued.

Lost or destroyed inspector's or weigher's licenses.

SEC. 13. Upon satisfactory proof of the loss or destruction of a license issued to an inspector or weigher a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

Unlicensed inspectors and weighers must not represent themselves as licensed.

SEC. 14. No person shall in any way represent himself to be an inspector or weigher licensed under the act unless he holds an unsuspended, unrevoked, and uncanceled license issued under the act.



## Regulation 8. Potato Inspecting and Classification

SECTION 1. Whenever the variety or type, grade, or condition of potatoes is required to be or is stated for the purposes of this act or these regulations, it shall be stated in accordance with this regulation. Variety and condition to be stated in accordance with regulations.

SEC. 2. The grades as recommended by the United States Department of Agriculture effective July 1, 1922, contained in Department Circular No. 238, shall be used for the purpose of stating the grade on warehouse receipts or grade certificates issued for potatoes stored in licensed warehouses, except that no tolerances shall be allowed for disease, decay, or freezing injury, and only such amount of dirt as may naturally adhere to the potatoes in the form of dust. Standards to be used.

## Regulation 9. Appeal of Grades

SECTION 1. *Paragraph 1.* If a question arises as to whether the variety, grade, or condition of the potatoes was correctly stated in a receipt or inspection certificate issued under the act or these regulations, the licensed warehouseman concerned or any person financially interested in the potatoes involved may, after reasonable notice to the other party, submit the question to such representatives of the bureau as the chief of bureau may appoint. The decision of the representatives of the bureau shall be final, unless the chief shall direct a review of the question. Immediately upon making their decision, the representatives of the bureau shall issue a certificate embodying their findings to the appellants and the licensee or licensees involved. Method of appeal in case of dispute.

*Paragraph 2.* If the decision of the representatives of the bureau be that the variety or type, grade, or condition was not correctly stated, the receipt or certificate involved shall be returned to and canceled by the licensee who issued it and the licensee shall issue in lieu thereof a new receipt or certificate embodying therein the statement of variety or type, grade, or condition in accordance with the findings of the representatives of the bureau. New receipts or certificates to be issued.

*Paragraph 3.* All necessary and reasonable expense of such arbitration shall be borne by the losing party, unless the chief of bureau or his representative shall decide that the expense should be prorated between the parties. Assessment of appeal expenses.

## Regulation 10 Miscellaneous

SECTION 1. Every person applying for a license, or licensed, under section 9 of the act, shall, as such, be subject to all portions of these regulations, except regulation 2, section 3, so far as they may relate to warehousemen. If there is a law of any State providing for a system of warehouses owned, operated, or leased by such Regulations applicable to State warehouses.

State, a person applying for a license under section 9 of the act, to accept the custody of potatoes and to store the same in any of said warehouses, may, in lieu of a bond or bonds, complying with regulation 3, sections 1 and 2, file with the Secretary a single bond meeting the requirements of the act and these regulations, in such form, and in such amount not less than \$5,000 as he shall prescribe, to insure the performance by such person, with respect to the acceptance of the custody of potatoes and their storage in the warehouses in such system for which licenses are or may be issued, of his obligations arising during the periods of such licenses, and in addition, if desired by the applicant, during the periods of any modifications or extensions thereof. In fixing the amount of such bond, consideration shall be given, among other appropriate factors, to the character of the warehouses involved, their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses. If the Secretary shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed, a further amount, fixed by him, to meet such conditions.

Publications.

SEC. 2. Publications under the act and these regulations shall be made in service and regulatory announcements of the Bureau of Agricultural Economics, and such other media as the chief of that bureau may from time to time designate for the purpose.

Violations of  
act and regula-  
tions to be re-  
ported.

SEC. 3. Every person licensed under the act shall immediately furnish the chief of the bureau any information which comes to the knowledge of such person tending to show that any provision of the act or these regulations has been violated.

Procedure in  
hearings.

SEC. 4. For the purpose of a hearing under the act and these regulations, except regulation 9, the licensee involved shall be allowed a reasonable time, fixed by the Secretary or by an official of the Department of Agriculture designated by him for the purpose, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time, an oral hearing, of which reasonable notice shall be given, shall be held before, and at a time and place fixed by, the Secretary or an official of the Department of Agriculture designated by him for the purpose. The testimony of the witnesses at such oral hearing shall be upon oath or affirmation administered by the official before whom the hearing is held, when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned, the deposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or an official of the Department of Agriculture authorized by the Secretary. Every written entry in the records of the Department of Agriculture made by an officer or employee thereof in the course of his official



duty, which is relevant to the issue involved in a hearing, shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearing shall be made a part of the records of the Department of Agriculture. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the official holding such oral hearing shall be transmitted to the Secretary for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

SEC. 5. Nothing in these regulations shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of, the laws of any State relating to warehouses, warehousemen, inspectors, graders, or weighers, nor shall these regulations be construed so as to limit the operation of any statute of the United States relating to warehouses, warehousemen, inspectors, graders, or weighers now in force in the District of Columbia, or in any Territory or other place under the exclusive jurisdiction of the United States.

No conflict  
with State or  
Federal laws.

SEC. 6. Any amendment to, or revision of, these regulations, unless otherwise stated therein, shall apply in the same manner to persons holding licenses at the time it becomes effective as it applies to persons thereafter licensed under the act.

Amendments.

# UNITED STATES WAREHOUSE ACT.

[As amended July 25, 1919, and February 23, 1923.]

Title declared.	That this Act shall be known by the short title of "United States warehouse Act."
Terms con- sidered. Warehouse.	SEC. 2. That the term "warehouse" as used in this Act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. As used in this Act, "person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person lawfully engaged in the business of storing agricultural products; and "receipt" means a warehouse receipt.
Person.	
Warehouseman.	
Receipt.	
Investigation, etc., of warehouses.	SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this Act, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this Act; to determine whether warehouses for which licenses are applied for or have been issued under this Act are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued, or that may be issued for them pursuant to this Act; and to prescribe, within the limitations of this Act, the duties of the warehousemen conducting warehouses licensed under this Act with respect to their care of and responsibility for agricultural products stored therein.
Classification.	
Duties of warehousemen.	
Licenses to warehousemen.	SEC. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this Act and such rules and regulations as may be made hereunder: <i>Provided</i> , That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this Act and the rules and regulations prescribed hereunder.
Conditions of issue.	
Modification or extension of license.	SEC. 5. That each license issued under Sections 4 and 9 of this Act shall terminate as therein provided, or in accordance with the terms of this Act and the regulations thereunder, and may from time to time be modified or extended by a written instrument.
Bond to be filed.	SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this Act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this Act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties,
Conditions.	
Sureties, terms, etc.	

subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act, and may, in the discretion of the Secretary of Agriculture, include the requirements of fire insurance. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

Additional  
bond.

SEC. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of Sections 6 or 9, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damage he may have sustained by such breach.

Suit on bond.

SEC. 8. That upon the filing with and approval by the Secretary of Agriculture of a bond, in compliance with this Act, for the conduct of a warehouse, such warehouse shall be designated as bonded hereunder; but no warehouse shall be designated as bonded under this Act, and no name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in Section 6, has been filed with and approved by the Secretary of Agriculture, nor unless the license issued under this Act for the conduct of such warehouse remains unsuspended and unrevoked.

Bonded warehouse.

Designation.

Conditions authorizing.

SEC. 9. That the Secretary of Agriculture may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this Act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this Act and the rules and regulations hereunder affecting warehousemen licensed under this Act, and shall otherwise be subject to this Act and such rules and regulations to the same extent as is provided for warehousemen licensed hereunder.

Licenses for storage by persons not warehousemen.

Receipts and bond required.

SEC. 10. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this Act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding \$2 per annum for each license or renewal thereof issued to a warehouseman under this Act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

Examination and inspection charges.

Deposit of fees.

SEC. 11. That the Secretary of Agriculture may upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample or classify any agricultural product or products, stored or to be stored in a warehouse licensed under this Act, according to condition, grade or otherwise and to certificate the condition, grade or other class thereof, or to weigh the same and certificate the weight thereof, or both to inspect, sample or classify and weigh the same and to certificate the condition, grade or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this Act and of the rules and regulations prescribed hereunder so far as the same relate to him.

Licenses to inspectors, samplers, classifiers and weighers of products.

Conditions.

SEC. 12. That any license issued to any person to inspect, sample or classify or to weigh any agricultural product or products under this Act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to inspect, sample, or classify or to weigh any agricultural

Suspension or revocation of licenses.



product or products correctly, or has violated any of the provisions of this Act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, whenever it deems necessary, may suspend a license temporarily without hearing.

Discrimination  
by licensed ware-  
housemen forbid-  
den.

SEC. 13. That every warehouseman conducting a warehouse licensed under this Act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

Deposits sub-  
ject to terms of  
Act.

SEC. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this Act shall be deemed to have deposited the same subject to the terms of this Act and the rules and regulations prescribed hereunder.

Inspection and  
grading of fungi-  
ble products.

SEC. 15. That any fungible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act shall be inspected and graded by a person duly licensed to grade the same under this Act.

Separation of  
deposits.

SEC. 16. That every warehouseman conducting a warehouse licensed under this Act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

Mingling of  
fungible products  
permitted.

Separation of  
grades.

Issue of re-  
ceipts for prod-  
ucts actually  
stored.

SEC. 17. That for all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

Contents of re-  
ceipt.

SEC. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this Act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and

regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this Act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued: *Provided, however*, The Secretary of Agriculture may in his discretion require that such receipt have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority or any other Act of Congress shall be, and are hereby, adopted for the purposes of this Act as the official standards of the United States for the agricultural products to which they relate.

Established standards to be promulgated.

Official standards adopted.

SEC. 20. That while an original receipt issued under this Act is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this Act.

Issue of other than original receipts forbidden.

Lost or destroyed receipts.

SEC. 21. That a warehouseman conducting a warehouse licensed under this Act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

Delivery of products to holders of receipt.

Conditions.

SEC. 22. That a warehouseman conducting a warehouse licensed under this Act shall plainly cancel upon the face thereof each receipt returned to him upon the delivery by him of the agricultural products for which receipt was issued.

Cancellation of receipts upon delivery



- Records to be preserved. SEC. 23. That every warehouseman conducting a warehouse licensed under this Act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made hereunder.
- Reports of business operations. SEC. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this Act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this Act and the rules and regulations made hereunder, the Secretary may publish his findings.
- Examination of stored products. SEC. 25. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this Act, for any violation of or failure to comply with any provision of this Act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.
- Suspension or revocation of licenses. SEC. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under Section 3 of this Act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this Act and lists of all licenses terminated under this Act and the causes therefor.
- Publications. SEC. 27. That the Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers, and accounts of warehouses licensed under this Act and of the warehousemen conducting such warehouses relating thereto.
- Official examinations of records, etc. SEC. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.
- Regulations shall be made. SEC. 29. That nothing in this Act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, inspectors, samplers or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this Act; nor shall this Act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, inspectors, samplers or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.
- Cooperation with State authorities. SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this Act, or who shall violate or fail to comply with any provision of Section 8 of this Act, or who shall issue or utter a false or fraudulent receipt or certificate, or any person who, without lawful authority, shall convert to his own use, or use for purposes of securing a loan, or remove from a licensed warehouse contrary to this Act or the regulations promulgated thereunder, any agricultural products stored or to be stored in such warehouse and for which licensed receipts have been or are to be issued, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$10,000, or double the value of the
- Operation of present laws. 'Violations.



products involved if such double value exceeds \$10,000, or imprisoned not more than one year, or both, in the discretion of the court, and the owner of the agricultural products so converted, used, or removed may, in the discretion of the Secretary of Agriculture, be reimbursed for the value thereof out of any fine collected hereunder, by check drawn on the Treasury at the direction of the Secretary of Agriculture, for the value of such products to the extent that such owner has not otherwise been reimbursed. That any person who shall draw with intent to deceive a false sample of, or who shall willfully mutilate or falsely represent a sample drawn under this Act, or who shall classify, grade or weigh fraudulently, any agricultural products stored or to be stored under the provisions of this Act, shall be deemed guilty of a misdemeanor and upon conviction thereof fined not more than \$500 or imprisoned for not more than six months, or both, in the discretion of the court.

SEC. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, available until expended, for the expenses of carrying into effect the provisions of this Act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this Act, and out of the moneys appropriated by this Act to pay the salaries and expenses thereof. Appropriations for expenses.

SEC. 32. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered. Invalidity of any part not to affect remainder of act.

SEC. 33. That the right to amend, alter, or repeal this Act is hereby expressly reserved. Amendments.

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